

**PROGRAM FOR MODERNIZING THE NATIONAL CONGRESS
AND THE OFFICE OF THE COMPTROLLER GENERAL**

(DR-0106)

EXECUTIVE SUMMARY

Borrower:	Dominican Republic	
Executing agency:	National Congress of the Republic, acting through its Joint Commission on Congressional Modernization	
Amount and source:	IDB: OC (IFF contingent)	US\$ 22.3 million
	Local:	<u>US\$ 5.7 million</u>
	Total:	US\$ 28.0 million
Financial terms and conditions:	Amortization period:	25 years
	Disbursement period:	3 years
	Grace period:	3 years
	Interest rate:	variable
	Inspection and supervision:	1.00%
	Credit fee:	.75%
	Currency:	U.S. dollars, Single Currency Facility
Objectives:	<p>The long-term aim of this operation is to strengthen democratic governance in the Dominican Republic. The program is expected to contribute to this through two subprograms which have the general aim of supporting the authorities of the National Congress and the Office of the Comptroller General in the institutional development of their respective organizations. The main specific objectives of the National Congress subprogram, relating to the strengthening of its institutional functions will be: (i) to improve its legislative capacity; (ii) to enhance the efficiency with which it discharges its oversight responsibilities; and (iii) to increase its capacity to fulfill its representative functions. The main specific objectives of the Comptroller General subprogram will be: (i) to enhance the independence and consequence of its work; and (ii) to raise the institution's technical capacity to fulfill its responsibilities.</p>	
Description:	<p><u>Subprogram I – National Congress.</u> (direct cost: US\$21,473,758) Funding will be provided for consulting services, training, refurbishment and expansion of the present building, and equipment and systems, to support the congressional authorities in implementing</p>	

their institutional modernization plans. Technical assistance will be furnished and investments will be made to: install operating systems to support the National Congress in carrying out its legislative, oversight and representative functions; develop administrative-financial and information technology systems; and provide it with the minimum equipment and physical space needed to discharge its responsibilities. Activities will be organized under the following headings:

Legislative function (US\$1,352,600). A regulatory framework will be designed and implemented, together with a system of parliamentary discussion, legal drafting and legislative processing; a system for preparing the legislative agenda will be designed and set up; and a Legislative Advisory Office-Legal Drafting Unit will be created, common to both chambers, with a system for hiring expert advisors to assist the standing commissions in their work of research, analysis and enactment of legislation.

Oversight function (US\$555,000). A Budgetary and Macroeconomic Evaluation and Monitoring Unit will be created, specialized in formulating, monitoring and evaluating the budget and the State's macroeconomic management through a system will be set up for hiring expert advisors for the Audit and Finance Standing Commissions.

Representative function (US\$302,600). A system will be established for scheduling and organizing public hearings, inquiries or other forms of citizen participation; and a public information system will be designed and put in place.

Administrative-financial system (US\$540,000). An internal administrative development plan will be drawn up for the two chambers of Congress, and administrative structures will be strengthened in the areas of planning, budgetary-financial management, human resources, and administrative and general service systems. This component will also include funding for studies on the institutional development of Congress.

Information technology development. (US\$3,335,678). This will include the procurement, development, adaptation, installation and initial operation of the information technology systems needed to support Congress in its legislative, oversight and representative functions, and to modernize its internal administration. It will also include the procurement and installation of information technology support infrastructure.

Infrastructure and equipment (US\$12,947,700). The facilities of the present Congress building will be rehabilitated, adapted and expanded to the minimum level needed to provide the physical basis for the modernization program, and to enable Congress to discharge its legislative, oversight, representative and administrative-financial functions adequately.

General coordination (US\$2,440,180). Implementation of the program will be supervised and managed.

Subprogram II – Comptroller General’s Office. (direct cost: US\$2,444,200). Funding will be provided for consulting services and training to support the design and promotion of an up-to-date legal framework proposal; assistance will be provided in drawing up a strategic plan for the institution; technical-administrative structures will be strengthened in the planning and budgetary and financial management areas, as will career development and training for administrative and professional staff; manuals and technical handbooks for a fiscal control system will be prepared, and training will be provided for purposes of assimilating the information contained therein. Activities will also include the procurement, installation and initial operation of the necessary information technology systems. Activities will be organized under the following headings:

Legal framework (US\$74,000). A proposal for a new legal framework will be drawn up (constitutional, legal and organizational regulations), and promotion and coordination activities will be carried out.

Institutional development (US\$2,029,400). A strategic plan will be drawn up for the institution, setting out its mission, vision, objective, targets, and activities to be undertaken. A second stage will support implementation of the plan by strengthening technical-administrative structures in the planning and budgetary-financial management areas of the Comptroller General’s Office, and by providing career development and training for administrative and professional staff.

Governmental control (US\$340,800). Basic working tools will be developed for strengthening the national fiscal audit system (technical handbooks and manuals for each stage of the audit), and training will be provided to professional and support staff.

**The Bank’s
country and
sector strategy:**

This program is consistent with the Bank’s explicit strategy in the sector and country of supporting governance and State modernization. It is the first integrated attempt to support the modernization of two key institutions: the National Congress and the Comptroller General’s Office. This is intended to underpin the ultimate objective of

balancing the branches of the State, while also reaffirming the democratic functioning of society, and making the broad program of fundamental reforms that the country is embarked upon more viable and sustainable.

Environmental and social review:

The social and environmental review of the operation led to the following actions being provided for: (i) strengthening of the capacity of the National Congress to identify and analyze environmental, gender and equity aspects; (ii) participation by community groups, women and young people through mechanisms for dialogue and consultation with civil society; and (iii) minimization of impacts caused by the civil works (see details in paragraphs 3.17 and 3.18 of the project report).

Benefits:

The main benefits will come from: (i) a significant improvement in the legislative function of the National Congress. This is expected to result in laws that are more consistent, with a greater understanding of their socioeconomic impact; (ii) a quantitative and qualitative increase in the oversight function of Congress and the Office of the Comptroller General. This will lead to an efficient fulfillment of constitutional monitoring functions, with a radical improvement in transparency, cost effectiveness and assignment of responsibilities; and (iii) strengthening of the representative function of Congress. This should produce laws that are more relevant, as well as more realistic and viable to apply and enforce.

Risks:

One of the risk factors arises from the relative weakness of current administrative structures in Congress and the Comptroller General's Office, and a lack of experience in each of these organizations in handling this type of operation. Safeguard: a simple program implementation structure has been agreed, whereby the Technical Unit of the Joint Congressional Commission will be in charge of executing the entire program, while the Comptroller General will oversee the technical aspects of its own subprogram, through an interinstitutional agreement with Congress. A strong general coordination component is also provided for, to support the Technical Unit during execution, together with a work mechanism under which teams will be made up, as appropriate, by legislators, technical staff and officials of the agencies involved, and external consultants, with supervision by the Technical Unit; and a flexible continuous monitoring system, based on annual operating plans to be prepared by the Technical Unit and revised by the Bank team. Another significant risk of the program relates to the political nature of an institution like the National Congress, the functioning of which requires constant negotiation and coordination between the different parties. Safeguard: this risk began to be managed during preparation of the program, requiring a Joint Commission to be set up with delegates from all

political blocs represented in Congress, to act as a steering committee for the work to be undertaken. This commission was established under resolutions agreed at plenary sessions of the respective chambers of Congress, and will continue operating in the execution phase of the program.

**Special
contractual
clauses:**

Apart from the standard Bank clauses, the loan contract will include the following special conditions precedent to disbursement: (a) the signing of an agreement for program execution between the National Congress and the executive branch; and (b) the establishment of a Technical Unit for executing the program.

The following conditions precedent to disbursement will also apply in Subprogram I: (a) advisors to the standing commissions must have been hired, the Legislative Advisory Office must have been set up and its operational regulations approved; (b) information technology consulting services and infrastructure must have been procured, except those relating to the Technical Unit, and an area coordinator must have been appointed; and (c) the information technology system for the Senate chamber must have been purchased, and the internal rule authorizing electronic voting approved.

In the case of Subprogram II, the following conditions precedent will also apply with respect to (a) the first disbursement of resources under the subprogram: the agreement between the National Congress and the Office of the Comptroller General for executing the program must have been signed; and (b) disbursements relating to the institutional development and government control components, in excess of US\$350,000: evidence must have been presented that the adequate physical installations are available for carrying out the subprogram.

The Bank will be able to disburse up to US\$600,000 to initiate program activities before the conditions mentioned above have been met, provided the conditions set out in paragraphs (a), (b) and (c) of Article 4.01 of the general conditions of the contract have been fulfilled.

The contract requires a concurrent sample audit of the program's procurement and hiring processes to be carried out by a firm of independent auditors.

**Poverty-
targeting and
social sector
classification:**

This operation does not qualify as a social equity enhancing project, as described in the indicative targets mandated by the Bank's Eighth Replenishment Report (document AB-1704).

**Exceptions to
Bank policy:**

None are envisaged

Procurement:

International competitive bidding (ICB) will be required to award contracts for work valued at US\$1.5 million or above, for consulting services valued at over US\$200,000, and for the procurement of goods or equipment for US\$250,000 or more. For amounts below these limits, the procurement procedures set out in Annex D to the loan contract will apply.